

## 2007 Social Security/SSI/Medicare Information

### Social Security Program:

- Tax Rate\*: Employee and employer each -- 7.65% (6.20% - OASDI, 1.45% - HI)  
Self-employed ----- 15.30% (12.40% - OASDI, 2.90% - HI)  
\* Social Security tax for employers and self-employed can be partially offset under income tax rules.
  - Maximum Taxable Earnings Base: OASDI-- \$97,500; HI-- No limit
  - Maximum FICA/SECA Taxes:
 

	<u>OASDI</u>	<u>HI</u>
Employee/employer (each):	\$ 6,045.00	No limit
Self-employed:	12,090.00	No limit
  - OASDI Covered Workers (in millions, 2007est):
 

	<u>Wages</u>	<u>Self-employed</u>	<u>Combined</u>
	153.4	16.8	163.1
  - Percent of workers in paid employment or self employment who are covered: 96%
  - Estimated Worker/Beneficiary Ratio:            2007: 3.3 to 1                      2040: 2.1 to 1
  - Earnings Required for a Quarter of Coverage: \$1,000; (\$4,000 for four)
  - Coverage Thresholds 2007:            Domestic Employment:    \$1,500                      Election Workers:            \$1,300
  - Retirement Test Exempt Amounts:  
--No test after attaining full retirement age (FRA)—i.e., age 65 and 8 months for those attaining FRA in 2007  
--For pre-FRA months in year attaining FRA: -- \$34,440 annually, \$2,870 monthly (\$1 for \$3 withholding rate)  
--Under FRA --\$12,960 annually, \$1,080 monthly (\$1 for \$2 withholding rate)
  - Substantial Gainful Activity: \$900/mo. nonblind, disabled; \$1,500/mo. blind;
  - Trial Work Period Service Month: \$640/mo.
  - Formulae Bend Points:    (Applicable to workers who reach age 62, become disabled, or die in 2007)
- | <u>Primary Insurance Amount (PIA)</u>                                   | <u>OASI Maximum Family Benefit (MFB)</u> |
|---|--|
| 90% of first \$680 of AIME, plus  | 150% of first \$869 of PIA, plus         |
| 32% of AIME over \$680 thru \$4,100, +                                  | 272% of PIA over \$869 thru \$1,255 +    |
| 15% of AIME over \$4,100  | 134% of PIA over \$1,255 thru \$1,636, + |
|   | 175% of PIA over \$1,636                 |
| (DI MFB ranges from 100% - 150% of the PIA, depending on the PIA level) |  |
- Average Monthly Benefits:
 

	<u>4/07</u>
Retired worker:	\$1,049
Retired worker and aged spouse:	1,716
Disabled worker:	978
Disabled worker, spouse and children:	1,638
Aged widow(er):	1,011
Widowed mother/father and 2 children:	2,142
  - Benefits for 1/2007 Retirees (estimated):
 

	<u>Age 62 (FRA 66)</u>		<u>FRA (Age 65 + 8 months)</u>	
	<u>PIA</u>	<u>Benefit</u>	<u>PIA</u>	<u>Benefit</u>
Scaled low earner (45% of avg. earnings)	\$ 838.20	\$ 628	\$ 841.50	\$ 841
Scaled medium earner	1,380.90	1,035	1,386.10	1,386
Maximum earner	2,119.20	1,589	2,120.90	2,120

- Long-Range Constant Replacement Rate: Retirement at Age 67 in 2030 or later

Scaled low earner (45% of avg. wages): 55%; Scaled medium earner: 41%; Maximum earner: 27%

- Number of OASDI Beneficiaries (as of 4/07):

--Total OASDI beneficiaries:	49.5 million
--Retired workers and family members:	34.2 million
-Retired workers:	31.3 million
-Spouses:	2.5 million
-Children:	0.5 million
--Survivors of deceased workers:	6.6 million
-Aged surviving spouses:	4.3 million
-Disabled surviving spouses:	0.2 million
-Surviving spouses w/ child-in-care:	0.2 million
-Children:	1.9 million
--DI beneficiaries:	8.7 million
-Disabled workers:	6.9 million
-Spouses:	0.2 million
-Children:	1.7 million

- Number of OASDI Children Beneficiaries (4/07):

--Total:	4,127,865
-Children under age 18:	3,140,530
-Students aged 18-19:	206,355
-Disabled Children:	780,980

- COLA: Increase payable in January 2007 benefits – 3.3 percent

- Special Minimum PIA (12/06):

Approximately \$35.26 per year of coverage over 10 years; highest special minimum PIA = \$705.20 (30 years/coverage)

- Minimum Earnings for Year of Coverage:

	<u>2006</u>	<u>2007</u>
--Special Minimum:	\$10,485	\$10,890
--Windfall Elimination Provision:	\$17,475	\$18,150

- Full Retirement Age Schedule — by Year of Birth

1938 - 65/2 mos.		1942 - 65/10 mos.		1957 - 66/6 mos.
1939 - 65/4 mos.		1943-54 – 66		1958 - 66/8 mos.
1940 - 65/6 mos.		1955 - 66/2 mos.		1959 - 66/10 mos.
1941 - 65/8 mos.		1956 - 66/4 mos.		1960+ - 67

- Taxation of Benefits -- % of Benefits Taxed:

<u>% Taxed</u>	<u>Income Threshold</u>	<u>Filing Status</u>
up to 50%	\$25,000 - \$34,000	Individual
	32,000 - 44,000	Joint
up to 85%	\$34,000 +	Individual
	44,000 +	Joint

- Average Wage Level: 2005: \$36,953      2006 : \$38,726(est.)      2007: 40,462(est.)

- OASDI Administrative Expenses (FY 2006):

	<u>OASI</u>	<u>DI</u>	<u>OASDI</u>
Amount (in billions)	\$ 2.4	\$2.3	\$4.7
Percent of Benefit Payments	0.5%	2.5%	0.9%

- OASI/DI Trust Funds' Operations (in billions, based on intermediate assumptions in 2007 Trustees Report):

<u>Calendar Year</u>	<u>Income</u>	<u>Outgo</u>	<u>Funds' Assets</u>	
			<u>Net Incr.</u>	<u>EOY Balance</u>
2006	\$745	\$555	\$190	\$2,048
2007 (est)	\$783	\$594	\$189	\$2,237

- Key dates from 2007 OASDI Trustees Report: (using intermediate assumptions)  
 2014 OASDI assets peak at 409 percent of expenditures.  
 2017 Expenditures exceed tax income for the first time since 1983.  
 2027 OASDI expenditures begin to exceed revenues from all sources, including interest earnings; Trust Fund reserves begin to be drawn down to help pay benefits.  
 2041 OASDI Trust Fund assets are exhausted. Then-current Social Security taxes would support about 75% of the expected benefits.
- Estimated long-range deficit: 1.95 percent of taxable payroll.

## **SSI Program**

- SSI Payment Standard: \$623 individual, \$934 couple (effect.01/07)
- Resource Limits:  
 Individual----- \$2,000  
 Couple----- 3,000
- Number of SSI Beneficiaries and Average Payments (12/06):

	<u>Beneficiaries</u>	<u>Average Payments</u>
Total	7,235,565	\$ 455
Aged -----	1,211,656	\$ 373
Blind & Disabled -----	6,023,909	471
SSI Beneficiaries by Age:		
Under 18 -----	1,078,975	\$ 542
Age 18-64 -----	4,152,114	471
Age 65 and Over -----	2,004,476	375
- SSI Expenditures FY 2006 (excludes accelerated payment due 10/01/06)  
 Federal SSI payments ----- \$37.2 billion  
 Fed. Administered State Supplements ----- 4.1 billion

## **Social Security and SSI Information**

- Number of people receiving monthly benefits from SSA (12/06):  
 -OASDI Benefits only ----- 46.6 million  
 -SSI Benefits only ----- 4.7 million  
 -OASDI and SSI Benefits Concurrently -- 2.5 million  
 Total ----- 53.8 million
- Program Accuracy  
 OASDI Program Dollar Accuracy Rate (Nonmedical Factors) -- FY 2005  
     -- 99.6% of payment outlays without an overpayment  
     -- 99.8% of payment outlays without an underpayment  
 SSI Program Dollar Accuracy Rate (Nonmedical Factors) -- FY 2005  
     -- 93.6% of payment outlays without a preventable overpayment  
     -- 98.6% of payment outlays without a preventable underpayment  
 DDS Accuracy Rate for Initial Disability Decisions -- FY 2005  
     -- 96% - Overall performance accuracy rate

## **Medicare Program**

- Number of HI/SMI Enrollees (FY 2006):  
Total HI/SMI enrollees-----43.0 million  
Aged-----36.2 million  
Disabled-----6.8 million

- Part A Hospital Insurance:  

	<u>Monthly Premium</u>
Fully Insured	\$0
30-39 credits	\$226.00
Less than 30 credits	\$410.00

- Part B Supplementary Medical Insurance Premium: \$93.50

- Income-Related Monthly Adjustment Amount (IRMAA) Information

Number of Beneficiaries Affected: 1.645 million in 2007 (About 4% of Part B beneficiaries)

<u>Modified Adjusted Gross Income (MAGI)</u>		<u>2007</u>	<u>2007</u>
		IRMAA Increase	Total Monthly Premium
<u>Single</u>	<u>Married Couple</u>		
\$80,000 and under	\$160,000 and under	\$0.00	\$93.50 (base premium)
\$80,001-100,000	\$160,001-200,000	\$12.30	\$105.80
\$100,001-150,000	\$200,001-300,000	\$30.90	\$124.40
\$150,001-200,000	\$300,001-400,000	\$49.40	\$142.90
More than \$200,000	More than \$400,000	\$67.90	\$161.40
<u>Married, Filing Separately</u>			
\$80,000 and under		\$0.00	\$93.50 (base premium)
\$80,001-120,000		\$49.40	\$142.90
More than \$120,000		\$67.90	\$161.40

- Medicare Part D Subsidy Eligibility Requirements:  
GENERAL – Individual Must Be:  
--Entitled to Part A or enrolled in Part B;  
--Enrolled in prescription drug plan;  
--Reside in 50 States or DC;  
--File an application; and,  
--Have income and resources below specified limits.
  - 2007 Income Limits  
--Full Subsidy – Below 135% of poverty guidelines (\$13,783 individual/\$18,481 couple)  
--Partial Subsidy – Between 135%-150% of poverty guidelines (\$15,315 individual/\$20,535 couple)
  - 2007 Resource Limits  
--\$11,710 individual/\$23,410 married couple living together  
--Amounts adjusted annually based on CPI

## **Resources/Contacts**

Social Security Information: 1-800-SSA-1213 TTY: 1-800-325-0778 (55.3 million calls handled in FY 2006)

SSA Online: <http://www.socialsecurity.gov> (48.7 million visits to this website in FY 2006)

Congressional Relations Staff: (410) 965-3929

Medicare Info: 1-800-633-4227 TTY: 1-877-486-2048

Medicare online: <http://www.medicare.gov>